GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4645
ANSWERED ON:25.04.2008
REDUCTION OF GOVERNMENT STAKE IN PSB
Ajaya Kumar Shri S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is considering to reduce the Government stakes in Public Sector Banks below 51 per cent;

(b) if so, the details thereof;

(c) whether the Government has received any proposal to bring additional capital in PSBs; and

(d) if so, the details thereof and action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) No, Sir. There is no proposal under consideration to amend the statutory or other provisions for enabling the Government to bring down its shareholding in the public sector banks (other than Associate Banks of State Bank of India (SBI) where Government has no shareholding) below 51%.

(b) Does not arise.

(c) & (d): Government examines the proposals of public sector banks to raise capital funds keeping in view their regulatory capital requirement, increase in their asset and investment portfolios, other business expansion plans, and statutory and regulatory provisions, etc.